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FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36109]

Grupo México, S.A.B. de C.V. and GMéxico Transportes, S.A. de C.V.—Control
Exemption—Florida East Coast Holdings Corp.

GMéxico Transportes, S.A. de C.V. (GMéxico Transportes), a non-carrier holding company, has filed a verified notice of exemption pursuant to 49 C.F.R. § 1180.2(d)(2) to control Florida East Coast Railway, L.L.C. (FECR), a Class II rail carrier operating in the state of Florida, and Texas Pacifico Transportation, Ltd. (Pacifico), a Class III rail carrier operating in the state of Texas. In addition, GMéxico Transportes filed an amendment to its verified notice of exemption to identify and encompass its parent company, Grupo México, S.A.B. de C.V. (Grupo México), also a non-carrier holding company,¹ and to identify Copper Basin Railway, Inc. (Copper Basin), a Class III rail carrier operating in the state of Arizona, as an additional carrier which Grupo México controls.² Control of these three rail carriers by Grupo México and GMéxico Transportes will be effected upon

¹ GMéxico Transportes filed the verified notice of exemption and the amendment to that notice identifying itself as the entity obtaining Board authority in this proceeding. However, because Grupo México is the ultimate parent company of GMéxico Transportes, and because Grupo México is the entity in ultimate control of both Pacifico and Copper Basin, this proceeding has been recaptioned to include Grupo México.

² It appears that Grupo México did not obtain Board authority to have common control of more than one rail carrier when it acquired Copper Basin. If that is the case, and if such authority was required, the Board expects Grupo México to promptly submit an appropriate filing for authorization of that common control.

the merger of GMXT Florida Merger Sub, Inc. (GMXT Merger Sub), a non-carrier subsidiary of GMéxico Transportes, with and into Florida East Coast Holdings Corp. (FEC Holdings), a non-carrier currently controlling FECR.³

The transaction may be consummated on or after May 28, 2017, the effective date of the exemption.⁴

Grupo México and GMéxico Transportes represent that: (1) the carriers that are the subject of this notice do not connect with each other; (2) the control transaction is not a part of a series of anticipated transactions that would result in such a connection; and (3) the transaction does not involve a Class I carrier. Therefore, the transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323. See 49 C.F.R. § 1180.2(d)(2).

Under 49 U.S.C. § 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. Because the transaction involves one Class II rail carrier and two Class III rail carriers, the transaction is subject to the labor protection requirements of 49 U.S.C. § 11326(b) and Wisconsin Central Ltd.—Acquisition Exemption—Lines of Union Pacific Railroad, 2 S.T.B. 218 (1997).

³ On April 10, 2017, GMéxico Transportes and FEC Holdings jointly filed a motion for protective order under 49 C.F.R. § 1104.14(b), which will be addressed in a separate decision.

⁴ Because GMéxico Transportes amended its verified notice of exemption on April 28, 2017, that date is the official filing date and the basis for all subsequent dates.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed by May 19, 2017 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36109, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Charles A. Spitulnik, Kaplan Kirsch & Rockwell, 1001 Connecticut Avenue, N.W., Suite 800, Washington, DC 20036.

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Decided: May 9, 2017.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.